



## COUNCIL CHAMBERS

17555 PEAK AVENUE MORGAN HILL CALIFORNIA 95037

---

**COUNCIL MEMBERS**

Dennis Kennedy, Mayor  
Hedy Chang, Mayor Pro Tempore  
Larry Carr, Council Member  
Greg Sellers, Council Member  
Steve Tate, Council Member

**REDEVELOPMENT AGENCY**

Dennis Kennedy, Chair  
Hedy L. Chang, Vice-Chair  
Larry Carr, Agency Member  
Greg Sellers, Agency Member  
Steve Tate, Agency Member

---

**WEDNESDAY, DECEMBER 18, 2002**

**AGENDA**

**JOINT MEETING**

**CITY COUNCIL SPECIAL AND REGULAR MEETING**

**and**

**REDEVELOPMENT AGENCY SPECIAL MEETING**

**6:00 P.M.**

***A Special Meeting Is Called at 6:00 P.M. for the Purpose of  
Conducting Closed Sessions.***

---

**Dennis Kennedy, Mayor/Chairman**

**CALL TO ORDER**

(Mayor/Chairperson Kennedy)

**ROLL CALL ATTENDANCE**

(City Clerk/Agency Secretary Torrez)

**DECLARATION OF POSTING OF AGENDA**

**Per Government Code 54954.2**

(City Clerk/Agency Secretary Torrez)

**6:00 P.M.**

## ***City Council Action and Redevelopment Agency Action***

### **CLOSED SESSION:**

**1.**

#### **CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION**

Significant Exposure/Initiation of Litigation

Authority: Government Code Sections 54956.9(b) & (c)

Number of Potential Cases: 4

**2.**

#### **CONFERENCE WITH LEGAL COUNSEL - POTENTIAL AND EXISTING LITIGATION: CONFERENCE WITH REAL PROPERTY NEGOTIATORS**

Legal Authority: Government Code 54956.8 & 54956.9(a) & (c) (1 potential case)

Real Property(ies) involved: APN 728-31-007 & 008; 25.50 acres located on the southwesterly side of  
Cochrane Road (St. Louise Hospital property)

City Negotiators: Agency Members; Executive Director; Agency Counsel; F. Gale Conner,  
special counsel; Rutan & Tucker, special counsel

Case Name: San Jose Christian College v. City of Morgan Hill

Case Numbers: Ninth Circuit Court of Appeal No. 02-15693

Closed Session Topic: Potential Existing Litigation/Real Estate Negotiations

**3.**

#### **EXISTING LITIGATION:**

Case Title: Kennedy et al. v. Davis et al.

Case Name/No.: Santa Clara County Superior Court Case No. CV 803679

**4.**

#### **EXISTING LITIGATION:**

Case Title: Andrew Jones v. City of Morgan Hill

Case Number: WCAB 93300028; San Jose WCAB

City Negotiators: Helene Leichter; Mary Kaye Fisher

**5.**

#### **CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION**

Authority: Government Code section 54956.9(a)

Case Name: Hacienda Valley Mobile Estates v. City of Morgan Hill

Case Numbers: Santa Clara County Superior CV 807708; Ninth Circuit Court of Appeal 02-  
15986

### **OPPORTUNITY FOR PUBLIC COMMENT**

### **ADJOURN TO CLOSED SESSION**

### **RECONVENE**

### **CLOSED SESSION ANNOUNCEMENT**

**7:00 P.M.**

**SILENT INVOCATION**

**PLEDGE OF ALLEGIANCE**

**PROCLAMATION**

Debbie Simon  
*Chief Galvin*

**PRESENTATION**

Youth Advisory Committee Presentation on League of California Cities Conference  
*Billy Lewis, Chair and Christopher England, Vice-Chair*

Youth Advisory Committee Presentation on Healthy Communities Health/Youth Conference  
*Brittany Bach*

**CITY COUNCIL REPORT**

Council Member Tate

**CITY MANAGER'S REPORT**

**CITY ATTORNEY'S REPORT**

**OTHER REPORTS**

**PUBLIC COMMENT**

**NOW IS THE TIME FOR COMMENTS FROM THE PUBLIC REGARDING ITEMS NOT ON THIS AGENDA.**

(See notice attached to the end of this agenda.)

**PUBLIC COMMENTS ON ITEMS APPEARING ON THIS AGENDA WILL BE TAKEN AT THE TIME  
THE ITEM IS ADDRESSED BY THE COUNCIL. PLEASE COMPLETE A SPEAKER CARD AND  
PRESENT IT TO THE DEPUTY CITY CLERK.**

(See notice attached to the end of this agenda.)

**PLEASE SUBMIT WRITTEN CORRESPONDENCE TO THE CITY CLERK/AGENCY SECRETARY. THE CITY  
CLERK/AGENCY SECRETARY WILL FORWARD CORRESPONDENCE TO THE CITY  
COUNCIL/REDEVELOPMENT AGENCY.**

## ***City Council Action***

**CONSENT CALENDAR:**

**ITEMS 1 - 12**

The Consent Calendar may be acted upon with one motion, a second and the vote, by each respective Agency. The Consent Calendar items are of a routine or generally uncontested nature and may be acted upon with one motion. Pursuant to Section 5.1 of the City Council Rules of Conduct, any member of the Council or public may request to have an item pulled from the Consent Calendar to be acted upon individually.

**Consent Calendar: 1 - 10 Minutes**

- 1) **NOVEMBER 2002 FINANCE AND INVESTMENT REPORT** ..... 1  
Recommended Action(s): **Accept** and **File** Report.
  
- 2) **AB 1600 DEVELOPMENT IMPACT FEE REPORT FOR FISCAL YEAR 2001/2002** ..... 25  
Recommended Action(s): **Accept** and **File** the AB 1600 Development Impact Fee Report for the 2001/2002 Fiscal Year.
  
- 3) **GROUND LANDSCAPE MAINTENANCE SERVICES FOR THE COMMUNITY AND CULTURAL CENTER** ..... 37  
Recommended Action(s): **Authorize** the City Manager to Execute a Contract with Flora Terra Landscape Maintenance for Ground Landscape Services for the Community and Cultural Center, Gavilan College, and Morgan Hill Playhouse in the Amount of \$37,543.62.
  
- 4) **APPROVAL OF SUBDIVISION IMPROVEMENT AGREEMENT WITH SOUTH VALLEY DEVELOPERS, INC. - MONTEREY ROAD APN 764-10-004** ..... 47  
Recommended Action(s):  
  1. **Approve** the Subdivision Improvement Agreement; and
  2. **Authorize** the City Manager to Sign the Agreement on Behalf of the City with South Valley Developers, Inc., Monterey Road (APN 764-10-004).
  
- 5) **AMEND PROFESSIONAL SERVICES AGREEMENT FOR DESIGN OF TENNANT AVENUE WIDENING PROJECT** ..... 59  
Recommended Action(s):  
  1. **Approve** Additional Scope of Work for MH Engineering in the Amount of \$1,800; and
  2. **Authorize** the City Manager to Execute an Amendment to the Existing Professional Services Agreement for Design Services for the Tennant Avenue Widening Project. The Total Amended Professional Services Agreement Shall Not Exceed \$44,210.
  
- 6) **AWARD FOR SIDEWALK, CURB AND GUTTER REMOVAL AND REPLACEMENT 2002-2003 PROJECT** ..... 61  
Recommended Action(s): **Award** Contract to Monterey Peninsula Engineering, Inc. for the Construction of the Sidewalk, Curb and Gutter Removal and Replacement 2002-2003 Project in the Amount of \$34,275.
  
- 7) **COMMUNITY AND CULTURAL CENTER PROJECT AND COMMUNITY PLAYHOUSE NOVEMBER CONSTRUCTION PROGRESS REPORT** ..... 67  
Recommended Action(s): **Information** only.
  
- 8) **MILLER NETWORKS CONTRACT AMENDMENT** ..... 77  
Recommended Action(s): **Authorize** the City Manager to Execute a Contract Amendment with Miller Networks.
  
- 9) **SUBDIVISION APPLICATION SD 02-10: CENTRAL AVENUE-WARMINGTON** ..... 81  
Recommended Action(s): **Take No Action**, Thereby Concurring with the Planning Commission's Decision Regarding Approval of the Subdivision Map.
  
- 10) **AMENDMENT TO THE RESIDENTIAL DEVELOPMENT CONTROL SYSTEM EXEMPTION POLICY** ..... 111  
Recommended Action(s): **Adopt** Resolution No. 5629, Approving Recommended Changes to the City Council Residential Development Control System Exemption Policy.

- 11) **IN LIEU CONTRIBUTION FOR OPEN SPACE TRANSFER DEVELOPMENT CREDITS, TDC** ..... 119  
**Recommended Action(s):** Authorize, by Minute Action, All Residential Development Control System (RDSCS) Projects to Make Monetary Contributions In-Lieu of the Purchase of Transfer Development Credits (TDC).
- 12) **APPROVAL OF SPECIAL CITY COUNCIL MEETING MINUTES FOR DECEMBER 4, 2002** ..... 127

## ***Redevelopment Agency Action***

### **CONSENT CALENDAR:**

#### **ITEM 13**

- 13) **NOVEMBER 2002 REDEVELOPMENT AGENCY FINANCE AND INVESTMENT REPORT** ..... 129  
**Recommended Action(s):** Accept and File Report.

## ***City Council and Redevelopment Agency Action***

### **CONSENT CALENDAR:**

#### **ITEMS 14 - 15**

- 14) **FISCAL YEAR 2001-2002 ANNUAL FINANCIAL REPORTS** ..... 141  
**Recommended Action(s):** Accept and File the Financial Reports for the Year Ended June 30, 2002:  
1. Comprehensive Annual Financial Report for the City; and  
2. Annual Financial Statements for the Redevelopment Agency.
- 15) **APPROVAL OF SPECIAL AND REGULAR CITY COUNCIL AND SPECIAL REDEVELOPMENT AGENCY MEETING MINUTES FOR DECEMBER 4, 2002** ..... 197

## ***City Council Action***

### **PUBLIC HEARINGS:**

	<b>Time Estimate</b>		<b>Page</b>
16)	5 Minutes	<b><u>DEVELOPMENT AGREEMENT AMENDMENT DAA 01-06: COCHRANE-COYOTE ESTATES</u></b> .....	211
		Public Hearing Opened.	
		Please Limit Your Remarks to 3 Minutes. Public Hearing Closed.	
		Council Discussion.	
		Action- <u>Motion to Waive</u> the Reading in Full of DAA Ordinance 1598, New Series.	
		<u>Motion to Introduce</u> Ordinance 1598, New Series by Title Only. (Roll Call Vote)	

17)	5 Minutes	<b><u>DEVELOPMENT AGREEMENT APPLICATION, DA 02-07: SHAFER-BAMDAD</u></b> .....	227
		Public Hearing Opened. Please Limit Your Remarks to 3 Minutes. Public Hearing Closed. Council Discussion. Action- <u>Motion to Waive</u> the Reading in Full of Ordinance 1599, New Series. <u>Motion to Introduce</u> Ordinance 1599, New Series by Title Only. (Roll Call Vote)	
18)	5 Minutes	<b><u>DEVELOPMENT AGREEMENT DA 02-10: EAST DUNNE AVENUE - FIRST COMMUNITY HOUSING</u></b> .....	255
		Public Hearing Opened. Please Limit Your Remarks to 3 Minutes. Public Hearing Closed. Council Discussion. Action- <u>Motion to Waive</u> the Reading in Full of Ordinance 1600, New Series. <u>Motion to Introduce</u> Ordinance 1600, New Series by Title Only. (Roll Call Vote)	
19)	15 Minutes	<b><u>ZONING AMENDMENT AND DEVELOPMENT AGREEMENT APPLICATIONS ZAA 01-10/DA 02-08: CENTRAL AVENUE - WARMINGTON</u></b> .....	277
		Public Hearing Opened. Please Limit Your Remarks to 3 Minutes. Public Hearing Closed. Council Discussion. Action- <u>Motion to Waive</u> the Reading in Full of Zoning Amendment Ordinance 1601, New Series. <u>Motion to Introduce</u> Zoning Amendment Ordinance 1601, New Series by Title Only. (Roll Call Vote) Action- <u>Motion to Waive</u> the Reading in Full of Development Agreement Ordinance 1602, New Series. <u>Motion to Introduce</u> Ordinance 1602, New Series by Title Only. (Roll Call Vote)	
20)	10 Minutes	<b><u>URBAN SERVICE BOUNDARY ADJUSTMENT 01-07: DIANA-KUBO</u></b> .....	309
		Public Hearing Opened. Please Limit Your Remarks to 3 Minutes. Public Hearing Closed. Council Discussion. Action- <u>Motion to Adopt</u> Mitigated Negative Declaration. Action- <u>Motion to Adopt</u> Resolution No. 5630, Approving an Amendment to the Urban Service Area Boundary.	
21)	10 Minutes	<b><u>APPLICATION ZA-02-17: ESTABLISHING ZONING REGULATIONS FOR PARKING LOT AND SIDEWALK SALES</u></b> .....	335
		Public Hearing Opened. Please Limit Your Remarks to 3 Minutes. Public Hearing Closed. Council Discussion. Action- <u>Motion to Waive</u> the Reading in Full of Ordinance 1603, New Series. <u>Motion to Introduce</u> Ordinance 1603, New Series by Title Only. (Roll Call Vote)	

## ***Redevelopment Agency Action***

### **PUBLIC HEARINGS:**

	<b>Time Estimate</b>		<b>Page</b>
22)	15 Minutes	<b><u>IMPLEMENTATION PLAN (2000 - 2004) MID-TERM REPORT</u></b> . . . . .	343
		Public Hearing Opened. Please Limit Your Remarks to 3 Minutes. Public Hearing Closed. Agency Discussion. Action- <u>Accept</u> the City of Morgan Hill Redevelopment Agency Implementation Plan (2000-2004) Mid-Term Review of Accomplishments.	

### **OTHER BUSINESS:**

	<b>Time Estimate</b>		<b>Page</b>
23)	5 Minutes	<b><u>REPLACEMENT HOUSING PLAN FOR ROYAL COURT HOUSING PROJECT</u></b> . . . .	357
		<b><u>Recommended Action(s): Adopt</u></b> the Replacement Housing Plan for the Royal Court Housing Project.	
24)	20 Minutes	<b><u>STATUS OF AGREEMENT WITH THE CHAMBER OF COMMERCE</u></b> . . . . .	363
		<b><u>Recommended Action(s): Receive</u></b> Report From the Chamber of Commerce and Determine if the Current Agreement Should Remain in Effect.	

## ***City Council Action***

### **OTHER BUSINESS:**

	<b>Time Estimate</b>		<b>Page</b>
25)	10 Minutes	<b><u>OFFICE SPACE FOR MAYOR AND CITY COUNCIL</u></b> . . . . .	375
		<b><u>Recommended Action(s): Provide Direction</u></b> to Staff on Options for the Creation of Office Space at City Hall for Mayor and City Council.	
26)	20 Minutes	<b><u>ART IN PUBLIC PLACES</u></b> . . . . .	379
		<b><u>Recommended Action(s):</u></b> 1) <b><u>Provide</u></b> Staff With Comments on the Discussion Guide for Developing a City Policy For Art in Public Places; and 2) <b><u>Direct</u></b> Staff to Set Up a Workshop, Inviting Interested Parties to Further Discuss Issues Relating to the Development of an Art in Public Places Policy for Morgan Hill.	

## ***City Council and Redevelopment Agency Action***

### **OTHER BUSINESS:**

	<b>Time Estimate</b>		<b>Page</b>
27)	45 Minutes	<b><u>COMPREHENSIVE HOUSING STRATEGY</u></b> .....	389
		<b><u>Recommended Action(s):</u></b>	
		2) <b><u>Receive</u></b> Report;	
		3) <b><u>Provide</u></b> General Policy Direction;	
		4) <b><u>Direct</u></b> Staff to Distribute Report to Interested Parties for Comments;	
		5) <b><u>Direct</u></b> Staff to Schedule Workshop for Further Discussion; and	
		6) <b><u>Approve</u></b> Preliminary Concept for Royal Apartments.	
28)	15 Minutes	<b><u>ORAL REPORT ON BUDGET SCHEDULE AND SCOPE PRESENTED BY AQUATICS SUB-</u></b> <b><u>COMMITTEE MEMBERS MAYOR KENNEDY AND COUNCIL MEMBER CARR</u></b>	

### **FUTURE COUNCIL-INITIATED AGENDA ITEMS:**

Note: in accordance with Government Code Section 54954.2(a), there shall be no discussion, debate and/or action taken on any request other than providing direction to staff to place the matter of business on a future agenda.

### **ADJOURNMENT**